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in the states under discussion. This has sometimes led to a narrow-minded view of the general situation. This short-sighted prejudice against outside agencies coupled with righteous indignation against the bad work of many of them has produced the opposition. It is to be hoped that the more liberal legislation will prevail. Another fact, which throws a side light upon the general question, is that from the neighboring states, say Michigan, go more unmarried mothers to be delivered, to have the children and often themselves cared for by the charitable agencies of Chicago, than there are children placed by all the agencies of Illinois in Michigan during the same period. The world is too small for glass houses.

A final point of the greatest importance is the question as to how much of the attempt to regulate the importation of children, that is, the attempt to draw artificial boundaries over which certain classes of normal people may not pass nor be passed, is constitutional. There are those who do not hesitate to declare that certain provisions of the Indiana law, for instance, are unconstitutional. This is a point which the courts must determine and one which I am not competent to discuss, but it has a vital bearing on the question. In this connection see *Charities Review*, April, 1901, p. 279.

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BANKING AMONG THE POOR: THE LIGHTHOUSE SAVINGS FUND
EXPERIMENT.

The principal reason why the poor do not save is undoubtedly that they have so little to spend. At the same time, the experience of the Lighthouse Savings Fund of Philadelphia demonstrates that another important reason is the lack of savings agencies in which the poor have confidence. The above institution was opened in June, 1900, in a crowded manufacturing district in Kensington, and is the outgrowth of a "stamp centre" of the Theodore Starr Savings Bank conducted for several years in the same locality. Its success has been truly remarkable. The balance-sheet showed about \$7,000 in deposits at the end of the first month. At the end of nine months this figure had risen to nearly \$17,000. And this growth has interfered but little with the prosperity of commercial savings institutions in the same vicinity. It is to be explained principally by the personal confidence which people in the neighborhood have in Miss Kelly, one of the organizers of the Savings Fund. The importance of this factor was illustrated when the business was moved to its present site, at the corner of Lehigh Avenue and Mascher Street, and a run was only

averted by assuring anxious depositors that it was still "Miss Kelly's bank." On the other hand, many of the mill-workers of the district have refused to have anything to do with a neighboring financial institution, supported largely by the capital of their employers, because, as they say, if mill-owners suspected that their employees were saving they would promptly cut down wages. Both facts illustrate that the development of providence among the poor depends in large measure on the establishment of personal relations of mutual confidence between the banker and his prospective customers.

The Lighthouse Savings Fund has been conducted during its first nine months at an average monthly expenditure of about one hundred dollars. During this time it has helped more than five thousand people to save, and in this way has done as much for the physical and moral well-being of its patrons as any possible preventive agency could hope to do. Its business is steadily growing, and gives promise of eventually reaching very considerable proportions. While it is not yet self-supporting, its cost is but trifling when compared with the benefits it already confers. Moreover, instead of showing an increasing deficit, like many an old-fashioned charity, the figures point to an opposite result, and to its becoming almost, if not quite, self-supporting in the not very distant future.

The belief that this little institution is rendering valuable social service, and the hope that it may be copied by similar institutions in other localities, leads me to give the readers of the *ANNALS* a somewhat technical description of its business methods.

The bank has been organized on a plan which admits of almost indefinite expansion, but which is simplicity itself. With over 900 book depositors and more than 3,200 stamp-cards outstanding, its business is easily handled by the cashier and two youthful assistants. It is now open every day and on two evenings in the week, so that opportunity is given to get to the bank, however long the depositor's working hours may be.

The bank receives two classes of deposits: book deposits, on which interest is allowed at the rate of 2 per cent per annum, and stamp deposits, which do not bear interest. In the former class, the first deposit must be at least two dollars, and no amounts of less than ten cents are entered in the bank books. In the latter class, deposits of any amount are received.

Entering the bank, one sees three windows which are lettered, respectively: "Book Deposits," "Withdrawals," and "Stamp Deposits." The last window always seems the most popular, and particularly on Friday and Saturday afternoon and evening is constantly surrounded by large numbers of children.

One week's notice is required in order to make a withdrawal. At the time this notice is given, the depositor is required to leave his bank book, and is given in exchange a small receipt card. A week later the money is payable on surrender of the card, and by signing a receipt. The use of consecutive numbers on the receipt cards makes the finding of any particular item exceedingly easy. All the money represented by a stamp-card has to be drawn at one time, no payments on account being made in this class of deposits. These withdrawals are treated in the same way as book withdrawals, except that the deposit being to bearer, the money is simply paid out on surrender of the receipt card.

The work of the bank is divided into three distinct parts—the receipt of book deposits, the sale of stamps, and the payment of withdrawals. All book deposits are entered in the receiving teller's scratcher at the same time that they are entered in the depositor's book. At the close of the day all the deposits are entered in the individual depositors' ledger. The form of ledger used is a "loose leaf" book, with columns for dates, deposits, withdrawals and balances. Book withdrawals are treated in the same way as deposits, with the exception that a week's notice is required before the cash is paid out. This permits the cashier always to provide for a week in advance, and enables a small force to handle easily a large amount of current business. Interest is paid on these book accounts, and is calculated by transferring each month to a card index, the monthly balance on which interest is allowed. At the end of the year the interest is computed by a short method, and is added to the bank book and ledger in the same way as an ordinary deposit.

A signature book is kept, in which the depositor signs his name on opening the account, or, where this is not possible, owing to illiteracy or the tender years of the customer, the name is noted by the cashier with some description of the depositor.

An alphabetical card index of the depositors is also kept.

In a community such as that in which the Lighthouse Savings Fund transacts its business, many active book accounts are opened without getting the depositor's signature. Often a single child will do the banking for a whole street, and it is a matter of wonder that a child of eight or nine can remember the amounts of perhaps a dozen different deposits and withdrawals without so much as a scrap of paper to aid in the feat of memory.

The only other book used by this department is the "Withdrawals of Deposits" scratcher. In it the amounts to be withdrawn are entered in numerical order, and the depositor signs for the sum received.

The stamp business requires less bookkeeping; a balance-sheet showing the number of stamps on hand, and the "Stamps Redeemed" scratcher comprising the entire outfit of this department. A settlement is made at the close of each day's business, and it is always possible to tell the exact amount of stamps outstanding and the number of cards on which they are placed. Extreme accuracy has to be observed in the handling of stamps, as a mistake once made is irretrievable.

Monthly balance sheets are taken off by the cashier of the bank, and his accounts are audited each month. In addition, the cashier and his assistants are bonded in a surety company.

The funds of the bank are deposited in a trust company, which is its active depository, and a special reserve is kept in another large banking house.

A list of the books used by the bank and a copy of the rules in regard to deposits, etc., would still further explain its methods, but it is believed that the above description contains in general the information indispensable to anyone who desires to establish a similar institution. Should a more detailed account of the operations of the bank be desired, its officers will be very glad to supply it.

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CORRECTION.—The clause on page 77, line 7, in this department of the **May ANNALS** (Vol. XVII), reading, "a two-thirds vote of" should be corrected to read "a majority of all of the members elected to." The "two-thirds" requirement was a feature of the revised constitution submitted to the voters of Rhode Island in 1899, but was rejected.